

Message Text

UNCLASSIFIED

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11

ACTION XMB-04

INFO OCT-01 ARA-10 ISO-00 EB-07 COME-00 AID-05 /027 W

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R 082123Z JUL 76

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC 208

UNCLS SANTIAGO 6639

FOR EXIMBANK

E. O. 11652: N/A

TAGS: ELTN, CI, EAID

SUBJECT: SALES OF US ENGINES AND TRANSMISSIONS TO SANTIAGO BUS FLEET

1. GEORGE S. BROWN, PRESIDENT OF WORLD EQUIPMENT SUPPLIES, INC. JACKSONVILLE, FLORIDA, AND ROBERT L. BOSCHERT, PRESIDENT OF COASTAL PRODUCTS, INC., JACKSONVILLE, FLORIDA, REPORTED TO EMBASSY RECENTLY THAT THEY HAVE CONCLUDED TENTATIVE SALES AGREEMENT WITH SAN BERNARDO COOPERATIVE BUS LINE OF SANTIAGO. TRANSACTION INVOLVES SALES OF DETROIT DIESEL ENGINES AND ALLISON AUTOMATIC TRANSMISSIONS FOR 125 MUNICIPAL BUSES. EACH COMBINED ENTINE AND TRANSMISSION UNIT SELLS FOR \$6,000. THUS TOTAL EXPORT PACKAGE COMES TO \$750,000. TRANSACTION WILL PROBABLY REQUIRE EXIM GUARANTEES/CREDIT.

2. US EXPORTERS POINT OUT THAT CONVERSION FROM GASOLINE ENGINES AND MANUAL TRANSMISSIONS INVOLVES GREAT SAVING IN FUEL AND MAINTENANCE, INCREASED SAFETY, AND DECREASED AIR POLLUTION.

3. MESSRS. BROWN AND BOSCHERT ARE ATTEMPTING TO OBTAIN FINANCING FOR PACKAGE FROM RIGGS BANK, WASHINGTON, BUT POINT OUT THAT SAN BERNARDO FLEET, A COOPERATIVE MAINLY OF OWNER-OPERATED BUSES, SHOWS VERY MODES CAPITALIZATION, EVEN THOUGH BACKED BY CHILEAN CONFEDERATION OF COOPERATIVES -- IFICOOP. SAN BERNARDO ORGANIZATION IS ABLE TO OBTAIN PRIVATE BANK GUARANTEES ON THIS TRANSACTION, BUT PROBABLY NOT GOC GUARANTEE, CURRENTLY REQUIRED BY EXIMBANK.

4. EMBASSY BELIEVES TRANSACTION IS ESPECIALLY WORTHY: ADDRESSES SAFETY, ECONOMY AND POLLUTION PROBLEMS; HAS IMMEDIATE EFFECT ON UNCLASSIFIED

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LOW INCOME GROUPS -- BOTH OWNERS OF BUSES AND PASSENGERS;

WOULD REPRESENT MAJOR BREAKTHROUGH IN CONVERSION TO (US SUPPLIED)
ENGINES AND TRANSMISSIONS, MARKET FOR WHICH IS SUBSTANTIAL.
REQUEST EXIM CONSIDER THESE POINTS WHEN APPROACHED BY EXPORTERS
AND/OR RIGGS BANK FOR EXIM GUARANTEE.
POPPER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SPARE PARTS, SALES, PASSENGER TRANSPORTATION, GROUND VEHICLES
Control Number: n/a
Copy: SINGLE
Draft Date: 08 JUL 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976SANTIA06639
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760264-0617
From: SANTIAGO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760779/aaaacrfb.tel
Line Count: 66
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION XMB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: schwenja
Review Comment: n/a
Review Content Flags:
Review Date: 19 MAR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <19 MAR 2004 by ThomasVJ>; APPROVED <10 AUG 2004 by schwenja>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SALES OF US ENGINES AND TRANSMISSIONS TO SANTIAGO BUS FLEET
TAGS: ELTN, EAID, CI, US
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006